



The European Federation of Investors and Financial Services Users  
Fédération Européenne des Épargnants et Usagers des Services Financiers



# Danish Mortgage System

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**Aleksandra Maczynska**  
**Executive Director**  
**BETTER FINANCE**



# BETTER FINANCE in a nutshell

- European Federation of Investors and Financial Services users at the European level
- **50** national and international Members and sub-members organizations
- Representing **4.5 million** individual members
- Independent financial expertise organization for the direct benefit of the European financial services users



# BETTER FINANCE's representation in European Commission and ESAs' expert groups

European Commission				
e.g. FSUG				
FSUG (Financial Services User Group)	A. Maczynska	Better Finance		5
	Ch. Hölz	DSW		
	D. Danov	Bulgarian Financial Forum		
	J. Contreras	ADICAE		
	J. Šebo	Institute of Savings and Investment - Slovakia		
ESAs (European Supervisory Authorities)				
ESMA				
Securities and Markets Stakeholder Group	Ch. Hölz	DSW	Vice-Chair	9
	J. Berthon	Faider		
	B. Dziemaszkiewicz	SII		
Secondary Markets Standing Committee Consultative WG	P. Verelst	Vlaamse Federatie van Beleggers (VFB)		
	P. Kjær	Danish Shareholders Association		
Investment Management Standing Committee Consultative WG	K. Struwe	Danish Shareholders Association		
Corporate Reporting Standing Committee Consultative WG	R. Collinge	UK Shareholders' Association		
Corporate Finance Standing Committee Consultative WG	K. Verbič	Pan Slovenian Shareholders Association		
EBA				
Banking Stakeholder Group, EBA	A. Iacob	Association of Romanian Financial Services Users	Vice-Chair	3
	G. Prache	Better Finance		
	G. Steponkus	Board of Lithuanian Shareholders Association		
EIOPA				
Insurance and Reinsurance Stakeholder Group, EIOPA	J. Berthon	Faider	Vice-Chair	4
	D. Danov	Bulgarian Financial Forum		
Occupational Pensions Stakeholder Group, EIOPA	J. Šebo	Institute of Savings and Investment - Slovakia		
	G. Prache	Better Finance		

# Capital Market Union and individual investors

- **enhancing transparency (in particular on performance and fees)**  
(EC, Action Plan on Building a CMU, 2015, action on P.18)
- **reviving equity culture**
  - *“the lack of an equity culture”* (EC CMU staff Document p.29)
  - *“Today, retail investors in Europe ... are less directly involved in capital markets than in the past ... the proportion of retail investors among all shareholders is less than half the level it was in the 1970s.”*
  - *“financial advisers are no longer marketing direct investment products (e.g. company shares and bonds) to retail investors”*  
(EC CMU staff working document p.30, 2015)
- **promoting more standardised and simpler investment products,**  
(EC, CMU Green Paper, 2015, P.20)
- **strengthening financial literacy** (EC, CMU Green Paper, 2015, P.20)



# Capital Market Union and individual investors

- **Reviving** the equity culture
- **Diversifying** the funding of the EU economy
- In order to succeed the CMU must **involve and attract** EU citizens as individual investors.




# Capital Market Union and individual investors

- Improve **trust, comparability and consumer satisfaction** in investment products.
- Individual investors **more LT** oriented and **LESS risk averse** than other investors (over 60% of savings LT).
- **Investor protection measures** should be taken to ensure that “institutional” investments do actually **provide transparent and decent returns** to EU LT savers, net of costs and fees.



# Capital Market Union and individual investors

- **Solutions**

- **More direct involvement of II in capital markets**
- easily accessible and transparent capital markets for individual investors
- a level-paying field for shares and bonds versus “packaged” products in “retail” distribution (EC study)
- 
- **Indirect (“intermediated”) involvement of II in capital markets (still the way to go for the majority)**
- For EU citizens and supervisors to know the actual LT returns and total fees of all “packaged” investment products, including, pension products, either insurance regulated or not
- **Simplify and standardize** the bewildering and costly range of product offerings (  less need for financial education/“marketing tools”)



# KEY CMU ACTIONS FOR SAVERS AND INVESTORS

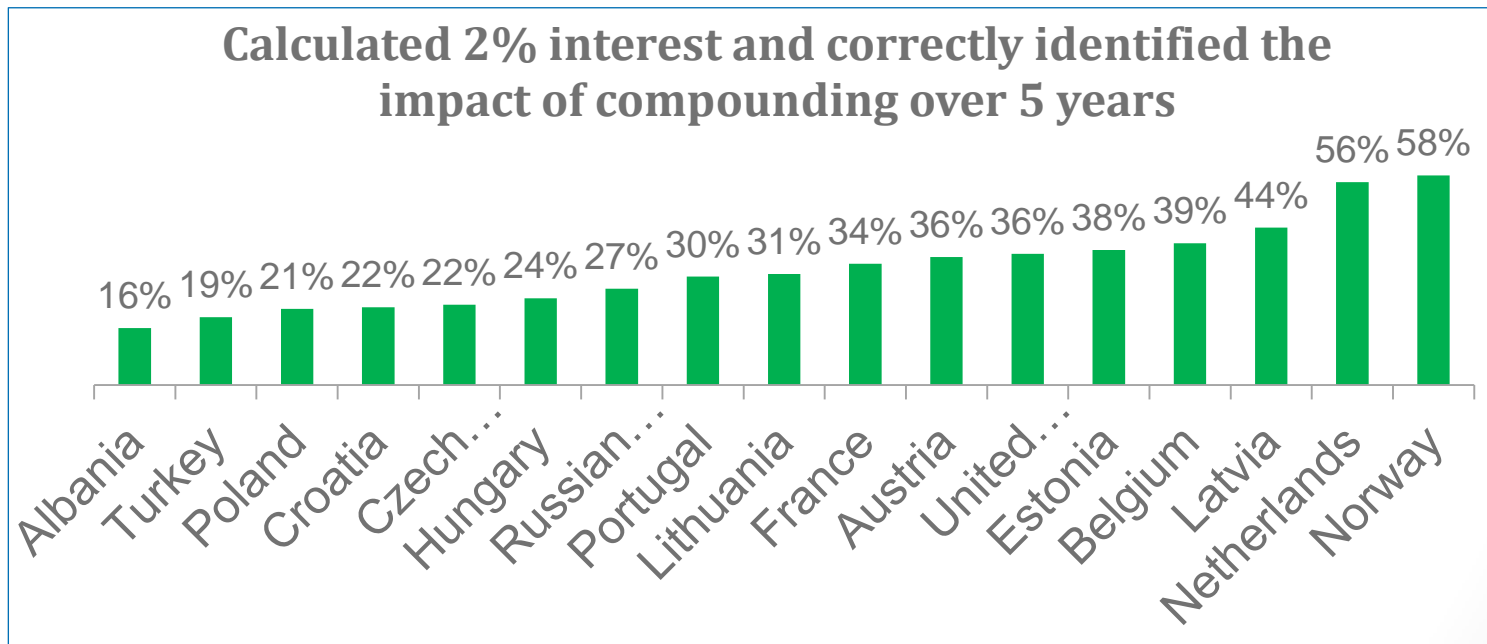


KEY ACTIONS	CURRENT PROGRESS ASSESMENT	CMU BAROMETER <sup>®</sup>
The European Supervisory Authorities (ESAs) to analyse performance of actual net performance and fees of long term retail products to help retail investors get a better deal.	Mandate issued (gaps in the scope, no deadline).	
Help retail investors to get a better deal by assessing the EU retail investment markets.	Study under way, but independent user side organisations like BETTER FINANCE not consulted.	
Support saving for retirement and assess the case for a policy framework to establish Pan European Personal Pensions (PPPs).	Proposal for a Regulation published (2 major concerns).	



# Financial education

## A historically low level of financial literacy...



Source : OECD/INFE survey on financial literacy, 2016

# FinTech

## The rising of Robo-investing

- **Europeans do not invest in capital markets**
  - Trust (conflicts of interests)
  - Transparency (performances and fees)
  - Financial education
  - Cultural barriers

### **Comparison of different Robo-Investing models based on:**

1. Transparency/ Clarity/ Simplicity
2. Suitability
3. Cost-efficiency/ Price (fees)
4. Financial Education





# **BETTER FINANCE**

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## **Thank you for your attention!**

[www.betterfinance.eu](http://www.betterfinance.eu)  
[info@betterfinance.eu](mailto:info@betterfinance.eu)